HOUSING MARKET INFORMATION

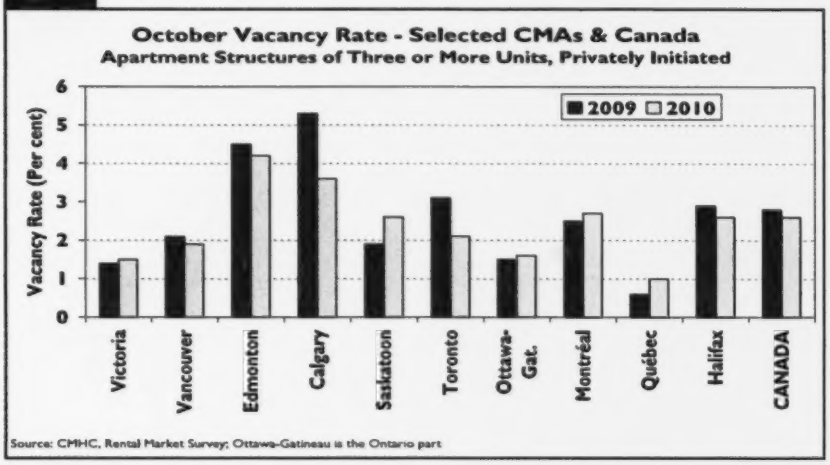
RENTAL MARKET REPORT

Canada Highlights

CANADA MORTGAGE AND HOUSING CORPORATION

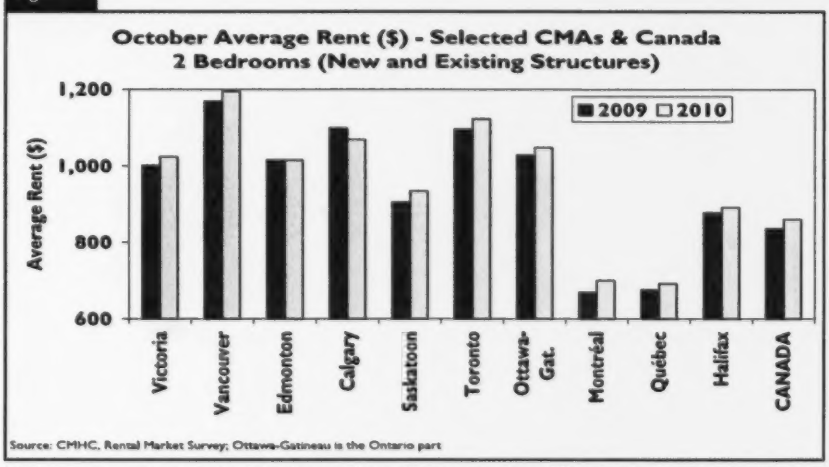
Date Released: Fall 2010

Figure 1



Source: CMHC, Rental Market Survey; Ottawa-Gatineau is the Ontario part

Figure 2



Source: CMHC, Rental Market Survey; Ottawa-Gatineau is the Ontario part

National rental vacancy rate decreased to 2.6 per cent in October 2010 from 2.8 per cent in October 2009

The average rental apartment vacancy rate in Canada's 35 major centres[1] decreased slightly to 2.6 per cent in October 2010 from 2.8 in October 2009[2].

Immigration continues to be a strong driver in increasing rental housing demand. Recent immigrants tend to rent first before becoming homeowners. Also, improving economic conditions have likely boosted the demand for rental housing, thus pushing vacancy rates downward. Moderating this, however, is lower levels of youth employment, which likely reduced household formation among young adults (under 24 years of age) who are predominantly renters.

On a provincial basis, historically low mortgage rates combined with the introduction of the HST in Ontario and B.C. attracted renter households toward homeownership during the first half of 2010. As a direct consequence, the effects of this forward buying are being reflected in slowing sales of existing homes experienced in recent months. As this forward demand was satiated by the second half of 2010, vacancy rates fell as rental demand increased.

[1] Major centres are based on Statistics Canada Census Metropolitan Areas (CMAs) with the exception of the Ottawa-Gatineau CMA which is treated as two centres for Rental Market Survey purposes and Charlottetown which is a Census Agglomeration (CA).

[2] The Fall survey covers apartment and row structures containing at least three rental units, and unlike the Spring survey, reports information on: a) Smaller geographic zones within centres; b) Secondary rental market (rented condominiums, single detached, semi-detached, duplexes or accessory apartments.

The balance of these forces varied regionally. Increases in vacancy rates occurred in 17 of 35 centres, while no change was experienced in 2 centres and declines occurred in 16.

Vacancy rates were low in some centres

The major centres with the lowest vacancy rates in October 2010 were Winnipeg (0.8 per cent), Regina, Kingston and Québec (1.0 per cent). The major centres with the highest vacancy rates were Windsor (10.9 per cent), Abbotsford (6.5 per cent), Saint John (5.1 per cent), London (5.0 per cent) and Sherbrooke (4.6 per cent).

Provincially, the lowest vacancy rates were in Manitoba (0.9 per cent), Newfoundland and Labrador (1.0 per cent), Prince Edward Island (2.2 per cent) and Saskatchewan (2.5 per cent). The provinces with the highest vacancy rates were Alberta (4.6 per cent) and New Brunswick (4.5 per cent).

Higher average monthly rents for two-bedroom apartments

The Canadian average two-bedroom rent was up from $836 in 2009 to $860 in 2010.

With respect to the CMAs, the highest average monthly rents for two-bedroom apartments in new and existing structures in Canada's major centres were in Vancouver ($1,195), Toronto ($1,123), Calgary ($1,069), Ottawa-Gatineau (Ontario Part $1,048), Victoria ($1,024), and Edmonton ($1,015). These are the only major centres with average rents at or above $1,000 per month. The lowest average monthly rents for two-bedroom apartments were in, Trois-Rivières ($533), Saguenay ($535), and Sherbrooke ($566).

Provincially, the highest average monthly rents were in Alberta ($1,036), British Columbia ($1,019), and Ontario ($980), while the lowest monthly rents were in Québec ($666), Newfoundland and Labrador and New Brunswick (both $668).

As stated in the Cautionary Note on this page, year-over-year comparison of average rents can be slightly misleading because rents in newly built structures tend to be higher than in existing buildings. By excluding new structures, we can get a better indication of actual rent increases paid by tenants.

Overall, the average rent for two-bedroom apartments in existing structures across Canada's 35 major centres increased 2.4 per cent between October 2009 and October 2010, a similar pace of rent increase to what was observed between October 2008 and October 2009 (2.3 per cent).

The major centres with the largest increase in average rent were St. John's (8.9 per cent), Regina (6.3 per cent) and Winnipeg (4.5 per cent). These increases reflect the tight rental market conditions prevailing in these CMAs. Average rents in existing structures decreased in Calgary (-2.7 per cent) and Windsor (-0.4 per cent).

Availability rates decreased nationally

The average rental apartment availability rate in Canada's 35 major centres was 3.8 per cent in October 2010, down from 4.1 per cent in October 2009. A rental unit is considered available if the unit is vacant (physically unoccupied and ready for immediate rental), or if the existing tenant has given or received notice to move and a new tenant has not signed a lease.

Availability rates were highest in Windsor (12.5 per cent), Abbottsford (7.7 per cent), London (7.4 per cent), and Hamilton (6.8 per cent). The lowest rates were in Québec (1.2 per cent), Winnipeg and St. John's (1.4 per cent each), and Regina (1.5 per cent).

Cautionary Note

In our analysis, we have avoided making comparisons between the results of the October 2010 rental market survey and the April 2010 survey. A key reason for this is that changes in rents, vacancy rates, and availability rates between the spring and the fall may not be solely attributable to changes in rental market conditions; they could also reflect seasonal factors. For example, if more people tend to move in the spring than in the fall, it could have an impact on vacancy and availability rates as well as the level of rents. Alternatively, in centres where there are a significant number of university students, vacancy and availability rates could be higher in the spring if students move home for the summer. To the extent that these types of seasonal variations exist, comparing results from the spring and fall Rental Market Surveys could lead to incorrect conclusions about trends in rental market conditions. To avoid this, we have limited our analysis to the results of our fall Rental Market Survey, comparing results for 2009 and 2010, as well as different centres across Canada.

Secondary Rental Market

CMHC's October 2010 Rental Market Survey also covers condominium apartments[3] offered for rent in Calgary, Edmonton, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, and Victoria. Vacancy rates for rental condominium apartments were 2.0 per cent or below in 6 of the 10 centres surveyed. Rental condominium vacancy rates were the lowest in Saskatoon (0.9 per cent), Regina (1.4 per cent), and Victoria (1.6 per cent).

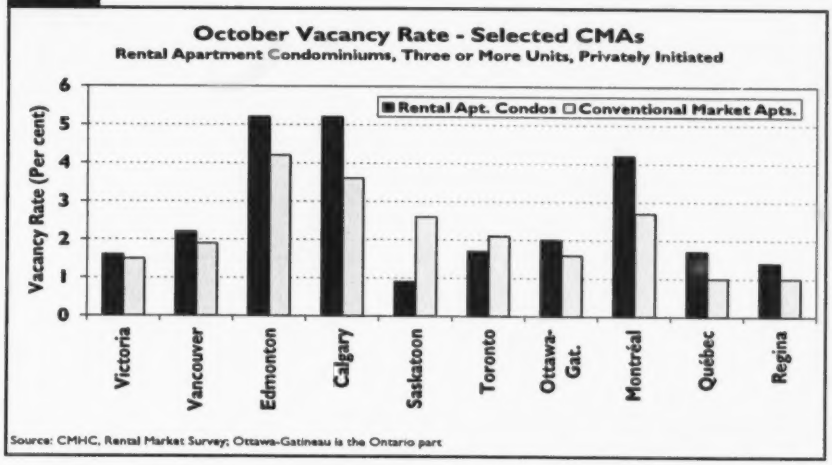
The highest vacancy rates for rental condominium apartments occurred in Edmonton (5.2 per cent), Calgary (5.2 per cent), and Montréal (4.2 per cent).

The current survey showed that vacancy rates for rental condominium apartments were lower than vacancy rates in the conventional rental market in Saskatoon and Toronto. Usually the vacancy rates for rental condominiums are higher than those for conventional apartments.

The highest average monthly rents for two-bedroom condominium apartments were in Vancouver ($1,610), Toronto ($1,590), Calgary ($1,385), and Ottawa-Gatineau (Ontario part, $1,212). All surveyed centres posted average monthly rents for two-bedroom condominium apartments that were higher than average monthly rents for two-bedroom private apartments in the conventional rental market. The condominium market is, in general, more expensive than conventional apartments. This is largely due to the fact that condominiums typically have more amenities and higher build quality.

The lowest monthly rents for two-bedroom condominium apartments were in Québec ($952) and Edmonton ($1,050). The percentage of condominium units that are being rented increased in 6 of the 10 centres surveyed in October 2010. Saskatoon and Edmonton had the largest changes; Saskatoon from 14.2 per cent in October 2009 to 19.5 per cent in October 2010; Edmonton from 24.2 per cent to 28.7 per cent over the same time frame. The largest decreases occurred in Regina and Toronto; from 15.8 per cent to 15.2 per cent and from 20.3 per cent to 19.8 per cent, respectively.

Figure 3



Rental affordability up in six out of twenty-three centres

CMHC produces a local rental affordability indicator to gauge how affordable a rental market is for those households which rent within that market. A generally accepted rule of thumb for affordability is that a household should spend less than 30 per cent of its gross income on housing.

[3]The remaining secondary rental market (excluding condominiums) includes the following types of units:
- rented single-detached houses;
- rented double (semi-detached) houses;
- rented freehold row/town houses;
- rented duplex apartments;
- rented accessory apartments;
- rented apartments which are part of a commercial or other type of structure containing one or two dwelling units.

The remaining secondary rental market (excluding condominiums) was surveyed in the following centres: Abbotsford, Barrie, Calgary, Edmonton, Halifax, Kelowna, Montréal, Ottawa, Québec, St. John's, Toronto, and Vancouver.

This indicator examines a three-year moving average of median income of renter households and compares it to the median rent for a two-bedroom apartment in the centre in which they live. Because of data availability, the income is forecast for the two most recent years. A three-year moving average is used to remove year-to-year volatility. An indicator value of 100 indicates that 30 per cent of the median income of renter households is necessary to rent a two-bedroom apartment going at the median rent. In general, as the rental affordability indicator increases, the market becomes more affordable; as the indicator declines, the market becomes less affordable.

The level of a household's income and the level of rents determine affordability, which varies in different markets in different parts of the country. In 2010, the affordability indicator increased in 6 centres, it decreased in 14 centres, while it remained unchanged in 3 centres across Canada. Calgary (up 10.0 per cent to 132), Edmonton (up 9.3 per cent to 129) and Hamilton (up 4.5 per cent to 115) recorded the strongest affordability index increase. This means that these centres have become more affordable. On the other hand, Regina (minus 17.3 per cent to 91), London (minus 6.7 per cent to 97) and Thunder Bay (minus 5.7 per cent to 82) recorded the biggest decreases in affordability (see Table to the right).

Rental Affordability Indicator

Centres	2007	2008	2009E*	2010E*
Calgary CMA	103	112	120	132
Edmonton CMA	115	116	118	129
Halifax CMA	113	113	111	108
Hamilton CMA	109	112	110	115
Kitchener CMA	111	117	119	116
London CMA	118	110	104	97
Montréal CMA	134	137	136	130
Oshawa CMA	100	94	89	84
Ottawa-Gatineau CMA (Ont. Part)	100	107	114	110
Ottawa-Gatineau CMA (Que. Part)	121	128	131	131
Québec CMA	123	129	129	133
Regina CMA	113	110	110	91
Saguenay CMA	137	144	157	152
Saskatoon CMA	113	98	100	99
Sherbrooke CMA	139	134	136	136
St. Catharines-Niagara CMA	105	100	104	101
Sudbury CMA	93	93	99	100
Thunder Bay CMA	98	94	87	82
Toronto CMA	91	92	95	95
Vancouver CMA	99	96	96	93
Victoria CMA	102	101	90	85
Windsor CMA	85	92	97	99
Winnipeg CMA	101	101	105	101

* Estimate

1.0 Rental Market Indicators
Privately Initiated Apartment Structures of Three Units and Over
Provinces and Major Centres[1]

Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom ($) (New and existing structures)		Percentage Change of Average Rent Two Bedroom [2] From Fixed Sample (Existing structures only)	
	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10	Oct-08 to Oct-09	Oct-09 to Oct-10
Newfoundland & Labrador 10,000+	1.0 a	1.0 a	1.3 a	1.2 a	634 a	668 a	4.8 a	7.2 a
St. John's CMA	0.9 a	1.1 a	1.2 a	1.4 a	677 a	725 a	4.9 a	8.9 a
Prince Edward Island 10,000+	3.1 b	2.2 a	4.3 a	3.1 b	688 a	719 a	4.7 a	2.5 a
Charlottetown CA	3.4 b	2.3 a	4.9 a	3.4 b	701 a	731 a	4.6 a	2.1 a
Nova Scotia 10,000+	3.1 a	2.9 a	3.4 a	3.6 a	838 a	851 a	2.8 a	3.0 a
Halifax CMA	2.9 a	2.6 a	3.2 a	3.3 a	877 a	891 a	2.8 a	2.9 a
New Brunswick 10,000+	3.8 a	4.5 a	4.2 a	5.2 a	656 a	668 a	3.0 a	2.2 a
Moncton CMA	3.8 a	4.2 a	4.3 a	5.5 a	675 a	691 a	2.0 a	2.0 a
Saint John CMA	3.6 a	5.1 a	4.1 a	5.7 a	644 a	645 a	4.5 b	2.6 a
Québec 10,000+	2.4 a	2.7 a	3.1 a	3.2 a	640 a	666 a	2.8 a	2.9 a
Ottawa-Gatineau CMA (Que. Part)	2.2 a	2.5 a	2.7 a	3.1 b	690 a	711 a	2.4 a	2.2 a
Montréal CMA	2.5 a	2.7 a	3.3 a	3.2 a	669 a	700 a	2.6 a	3.1 b
Québec CMA	0.6 a	1.0 a	1.0 a	1.2 a	676 a	692 a	3.5 c	2.6 a
Saguenay CMA	1.5 a	1.8 a	2.4 a	2.1 a	518 a	535 a	4.0 b	2.1 a
Sherbrooke CMA	3.9 a	4.6 a	4.3 a	4.8 a	553 a	566 a	2.8 a	2.6 a
Trois-Rivières CMA	2.7 a	3.9 a	3.0 b	4.3 a	520 a	533 a	2.1 b	2.2 b
Ontario 10,000+	3.5 a	2.9 a	5.5 a	4.7 a	955 a	980 a	2.0 a	1.9 a
Barrie CMA	3.8 b	3.4 a	6.0 a	5.8 a	961 a	968 a	1.2 a	++
Brantford CMA	3.3 b	3.7 b	3.9 b	5.7 b	754 a	778 a	1.1 a	2.1 c
Greater Sudbury CMA	2.9 a	3.0 b	3.3 b	4.0 b	830 a	840 a	4.7 c	2.6 c
Guelph CMA	4.1 a	3.4 a	6.6 a	6.0 a	874 a	887 a	1.3 a	0.9 a
Hamilton CMA	4.0 a	3.7 a	7.0 a	6.8 a	831 a	862 a	1.1 a	1.0 a
Kingston CMA	1.3 a	1.0 a	2.5 a	1.8 a	909 a	935 a	2.3 a	3.2 a
Kitchener CMA	3.3 a	2.6 a	6.1 a	4.5 a	856 a	872 a	1.7 a	1.6 a
London CMA	5.0 a	5.0 a	7.7 a	7.4 a	896 a	869 a	1.2 a	1.1 a
St. Catharines-Niagara CMA	4.4 a	4.4 a	6.3 a	6.1 a	804 a	817 a	2.2 b	1.9 a
Oshawa CMA	4.2 a	3.0 a	6.1 a	4.6 a	900 a	903 a	1.2 a	0.8 a
Ottawa-Gatineau CMA (Ont. Part)	1.5 a	1.6 a	3.5 a	3.4 a	1,028 a	1,048 a	2.9 a	3.7 a
Peterborough CMA	6.0 b	4.1 b	7.7 a	6.4 a	875 a	890 a	2.1 b	1.7 b
Thunder Bay CMA	2.3 a	2.2 a	3.1 a	2.7 a	742 a	763 a	2.9 a	2.4 a
Toronto CMA	3.1 a	2.1 a	5.0 a	3.9 a	1,096 a	1,123 a	2.2 a	1.9 a
Windsor CMA	13.0 a	10.9 a	14.9 a	12.5 a	747 a	752 a	-1.8 a	-0.4 b

[1]Major centres refer to Census Metropolitan Areas (CMA), except for Charlottetown.

[2]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)

** Data suppressed to protect confidentiality or data not statistically reliable.

++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).

n/u: No units exist in the universe for this category. n/s: No units exist in the sample for this category. n/a: Not applicable.

Please click Methodology or Data Reliability Tables Appendix link for more details

1.0 Rental Market Indicators
Privately Initiated Apartment Structures of Three Units and Over
Provinces and Major Centres[1]

Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom ($) (New and existing structures)		Percentage Change of Average Rent Two Bedroom [2] From Fixed Sample (Existing structures only)	
	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10	Oct-08 to Oct-09	Oct-09 to Oct-10
Manitoba 10,000+	**1.1** a	**0.9** a	**1.8** a	**1.5** a	**788** a	**815** a	**4.1** a	**4.3** b
Winnipeg CMA	1.1 a	0.8 a	2.0 a	1.4 a	809 a	837 a	4.3 a	4.5 b
Saskatchewan 10,000+ (3)	**1.9** a	**2.5** a	**2.7** a	**3.3** a	**833** a	**872** a	**8.7** a	**5.4** a
Regina CMA	0.6 a	1.0 a	1.2 a	1.5 a	832 a	881 a	10.2 a	6.3 a
Saskatoon CMA	1.9 a	2.6 a	3.4 a	3.8 a	905 a	934 a	8.3 a	4.0 a
Alberta 10,000+ (4)	**5.5** a	**4.6** a	**6.9** a	**6.1** a	**1,044** a	**1,036** a	**-1.9** a	**-0.9** a
Calgary CMA	5.3 a	3.6 a	7.5 a	5.8 a	1,099 a	1,069 a	-3.7 b	-2.7 a
Edmonton CMA	4.5 a	4.2 a	5.6 a	5.3 a	1,015 a	1,015 a	-0.9 a	++
British Columbia 10,000+	**2.8** a	**2.7** a	**3.6** a	**3.6** a	**1,001** a	**1,019** a	**2.8** a	**2.6** a
Abbotsford CMA	6.1 a	6.5 a	6.7 a	7.7 a	781 a	785 a	3.0 a	0.6 a
Kelowna CMA	3.0 a	3.5 a	3.9 a	4.5 a	897 a	898 a	-1.6 c	++
Vancouver CMA	2.1 a	1.9 a	2.8 a	2.7 a	1,169 a	1,195 a	2.6 a	3.1 a
Victoria CMA	1.4 a	1.5 a	2.6 a	2.6 a	1,001 a	1,024 a	5.0 a	2.6 a
Canada CMAs (1)	2.8 a	2.6 a	4.1 a	3.8 a	836 a	860 a	2.3 a	2.4 a
Canada 10,000+	3.0 a	2.9 a	4.2 a	3.9 a	812 a	835 a	2.4 a	2.3 a

[1]Major centres refer to Census Metropolitan Areas (CMA), except for Charlottetown.

[2]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

[3]Includes both Alberta and Saskatchewan portions of Lloydminster CA.

[4]Does not include Alberta portion of Lloydminster CA. For Lloydminster CA data, refer to Saskatchewan Highlights report.

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category. n/s: No units exist in the sample for this category. n/a: Not applicable.

Please click Methodology or Data Reliability Tables Appendix link for more details

4.1 Rental Condominium Apartments and Private Apartments in the RMS[1]
Vacancy Rates (%), Average Rents ($) and Percentage of Condominium Apartments in Rental
Oct-10

Centres	Vacancy Rates (%)		Average Rent ($)		Percentage of Condo Apts in Rental vs. Ownership
			2 Bedroom		
	Rental Condo Apts	Apts in the RMS[1]	Rental Condo Apts	Apts in the RMS[1]	
Calgary CMA	5.2 c	3.6 a	1,385 b	1,069 a	27.6 a
Edmonton CMA	5.2 b	4.2 a	1,050 b	1,015 a	28.7 a
Montréal CMA	4.2 b	2.7 a	1,144 c	700 a	9.4 a
Ottawa-Gatineau CMA (Ont. Part)	2.0 b	1.6 a	1,212 b	1,048 a	18.8 a
Québec CMA	1.7 a	1.0 a	952 b	692 a	8.1 a
Regina CMA	1.4 a	1.0 a	n/a	881 a	15.2 a
Saskatoon CMA	0.9 a	2.6 a	n/a	934 a	19.5 a
Toronto CMA	1.7 b	2.1 a	1,590 b	1,123 a	19.8 a
Vancouver CMA	2.2 b	1.9 a	1,610 b	1,195 a	24.7 a
Victoria CMA	1.6 a	1.5 a	**	1,024 a	19.3 a

[1]Major centres refer to Census Metropolitan Areas (CMA), except for Charlottetown.

4.2 Rental Condominium Apartments
Vacancy Rates (%), Average Rents ($) and Percentage of Condominium Apartments in Rental

Centres	Vacancy Rates (%)		Average 2 Bedroom Rent ($)		Percentage of Condominium Apartments in Rental vs Ownership	
	Oct-09	Oct-10	Oct-09	Oct-10	Oct-09	Oct-10
Calgary CMA	1.5 a	5.2 c	1,310 a	1,385 b	25.6 a	27.6 a
Edmonton CMA	3.1 c	5.2 b	1,122 a	1,050 b	24.2 a	28.7 a
Montréal CMA	2.7 a	4.2 b	1,070 b	1,144 c	9.7 a	9.4 a
Ottawa-Gatineau CMA (Ont. Part)	1.1 a	2.0 b	1,193 b	1,212 b	19.0 a	18.8 a
Québec CMA	1.6 a	1.7 a	829 b	952 b	8.0 a	8.1 a
Regina CMA	3.0 c	1.4 a	n/a	n/a	15.8 a	15.2 a
Saskatoon CMA	1.0 a	0.9 a	n/a	n/a	14.2 a	19.5 a
Toronto CMA	0.9 a	1.7 b	1,487 a	1,590 b	20.3 a	19.8 a
Vancouver CMA	1.7 b	2.2 b	1,448 b	1,610 b	23.8 a	24.7 a
Victoria CMA	1.7 a	1.6 a	1,223 b	**	17.5 a	19.3 a

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category. n/s: No units exist in the sample for this category. n/a: Not applicable.

Please click Methodology or Data Reliability Tables Appendix link for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current October Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data from sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. In October 2006, CMHC has introduced a new measure for the change in rent that is calculated based on existing structures only. This estimate is based on structures that were common to the survey sample the previous year and the current year of the Rental Market Survey. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in the Rental Market Report – Canada Highlights , Provincial Highlights, and the local Rental Market Reports. The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in September and October to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS. CMHC has identified the following dwelling components to be included in SRMS:

- Rented single-detached houses.
- Rented double (semi-detached) houses (i.e.. Two units of approximate equal size and under one roof that are situated either side-by-side or front-to-back).
- Rented freehold row/town homes.
- Rented duplex apartments (i.e.. one-above-other).
- Rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type).
- Rented condominiums (can be any dwelling type but are primarily apartments).
- One or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents.
- A Condominium Apartment Vacancy Survey of condominium apartment owners to collect vacancy information.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the owner, manager, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in September and October, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates for the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability. Rented condominium apartments were surveyed in the following CMAs: Vancouver, Victoria, Calgary, Edmonton, Regina, Saskatoon, Toronto, Ottawa, Montréal and Québec (NOTE: condo rent data was not collected for Regina and Saskatoon). Other secondary rental market units were surveyed in Abbotsford, Barrie, Calgary, Edmonton, Halifax, Montreal, Ottawa, Quebec, St. John's, Toronto, Regina, Saskatoon, Kelowna, Vancouver and Victoria.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2001 and 2006 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

Rental Affordability Indicator

Canada Mortgage and Housing Corporation has developed a new rental affordability indicator to gauge how affordable a rental market is for those households which rent within that market. The level of income required for a household to rent a median priced two-bedroom apartment, using 30 per cent of its income, is calculated. The three-year moving average of median income of renters' households in a centre is then divided by this required income. The resulting number is then multiplied by 100 to form the indicator. A value above 100 indicates that less than 30 per cent of the median income is required to rent a two-bedroom apartment, conversely, a value below 100 indicates that more than 30 per cent of the median income is required to rent the same unit. In general, as the indicator increases, the market becomes more affordable; as the indicator declines, the market becomes less affordable.

Median renter household income estimates used in the calculation of the rental affordability indicator are based on results of Statistics Canada's Survey of Labour and Income Dynamics. Results for this survey are available from 1994 to 2005. CMHC has developed forecasts of median renter household income since 2006.

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 60 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable homes – homes that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at www.cmhc.ca

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.
Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is available for free on CMHC's website. You can view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to www.cmhc.ca/housingmarketinformation

For more information on MAC and the wealth of housing market information available to you, visit us today at www.cmhc.ca/housingmarketinformation

To subscribe to priced, printed editions of MAC publications, call 1-800-668-2642.

©2010 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of any CMHC Market Analysis publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or entire CMHC Market Analysis publications, please contact the Canadian Housing Information Centre (CHIC) at mailto:chic@cmhc.gc.ca; 613-748-2367 or 1-800-668-2642.

For permission, please provide CHIC with the following information:
Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.

Housing market intelligence you can count on

FREE REPORTS AVAILABLE ON-LINE

- Canadian Housing Statistics
- Housing Information Monthly
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Canada and Regional
- Housing Market Outlook, Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Housing Now, Canada
- Housing Now, Major Centres
- Housing Now, Regional
- Monthly Housing Statistics
- Northern Housing Outlook Report
- Preliminary Housing Start Data
- Renovation and Home Purchase Report
- Rental Market Provincial Highlight Reports *Now semi-annual!*
- Rental Market Reports, Major Centres
- Rental Market Statistics *Now semi-annual!*
- Residential Construction Digest, Prairie Centres
- Seniors' Housing Reports
- Seniors' Housing Reports - Supplementary Tables, Regional

Get the market intelligence you need today!
Click www.cmhc.ca/housingmarketinformation to view, download or subscribe.

CMHC's Market Analysis Centre e-reports provide a wealth of detailed local, provincial, regional and national market information.

- **Forecasts and Analysis –** Future-oriented information about local, regional and national housing trends.
- **Statistics and Data –** Information on current housing market activities — starts, rents, vacancy rates and much more.

2010 CANADIAN HOUSING OBSERVER, *with a feature on Housing and the Economy*

National in scope, comprehensive in content and analytically insightful, the Canadian Housing Observer lays out a complete picture of housing trends and issues in Canada today. Access additional online data resources and **download your FREE copy today!**

64667_2010_B02